



February 13, 2007

HOUSE BILL No. 1551

DIGEST OF HB 1551 (Updated February 7, 2007 6:51 pm - DI 75)

Citations Affected: IC 2-7; IC 3-9.

Synopsis: Lobbyists. Provides that a person covered under Section 527 of the Internal Revenue Code or a public benefit organization that spends at least \$50,000 a year on communications urging the general public to act to influence legislative action is a lobbyist. Requires such a person or organization to register as a lobbyist and report certain information. Provides that the governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, superintendent of public instruction, attorney general, and the candidate's committee of an individual who holds any of these offices may not solicit or accept campaign contributions from the first session day in January of an odd-numbered year through the day the general assembly adjourns sine die in an odd-numbered year.

Effective: July 1, 2007.

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January 23, 2007, read first time and referred to Committee on Public Policy.
January 23, 2007, reassigned to Committee on Elections and Apportionment.
February 12, 2007, amended, reported — Do Pass.

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HB 1551—LS 7849/DI 75+



February 13, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1551

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-7-1-9 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2007]: Sec. 9. "Lobbying" means **either of the**
3 **following**:

4 (1) Communicating by any means, or paying others to
5 communicate by any means, with any legislative official with the
6 purpose of influencing any legislative action.

7 (2) **The activities of a public advocacy organization to**
8 **influence any legislative action.**

9 SECTION 2. IC 2-7-1-12.5 IS ADDED TO THE INDIANA CODE
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11 1, 2007]: Sec. 12.5. (a) **"Public advocacy communication" refers to**
12 **a communication:**

13 (1) **to urge the general public to act to influence legislative**
14 **action; and**

15 (2) **by:**

16 (A) **advertising;**

17 (B) **mass mailings;**

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(C) publications; or

(D) radio, television, or the Internet.

(b) The term does not include the communications between an organization and its members.

SECTION 3. IC 2-7-1-12.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.7. (a) "Public advocacy organization" means a person that:

(1) is:

(A) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code); or

(B) a public benefit organization; and

(2) spends at least fifty thousand dollars (\$50,000) in a registration year on public advocacy communication.

(b) The term does not include any of the following that, in the ordinary course of business, publishes news items, editorials, comments, or paid advertisements that directly or indirectly urge legislative action:

(1) A newspaper.

(2) A periodical of general circulation.

(3) A book publisher.

(4) A news wire service.

(5) A radio or television station.

(6) An individual who owns, publishes, or is employed by a newspaper, periodical, or radio or television station.

SECTION 4. IC 2-7-2-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.5. The registration statement of a lobbyist that is a public advocacy organization must include the following information:

(1) The full name of the organization.

(2) The organization's business address and telephone number.

(3) The full name of the officers of the organization.

(4) The subject matter for which the organization advocates.

SECTION 5. IC 2-7-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The activity reports of each lobbyist shall include the following:

(1) A complete and current statement of the information required to be supplied under IC 2-7-2-3 and IC 2-7-2-4.

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(2) Total expenditures on lobbying (prorated, if necessary) broken down to include at least the following categories:

- (A) Compensation to others who perform lobbying services.
- (B) Reimbursement to others who perform lobbying services.
- (C) Receptions.
- (D) Entertainment, including meals. However, a function to which the entire general assembly is invited is not ~~lobbying~~ **required to be reported** under this article.
- (E) Gifts made to an employee of the general assembly or a member of the immediate family of an employee of the general assembly.

(F) If the lobbyist is a public advocacy organization, the lobbyist's expenses for public advocacy communications. The lobbyist must provide the following information relating to the lobbyist's expenses under this clause:

- (i) The name of each person that carried the lobbyist's communications.**
- (ii) The dates that communications were made.**
- (iii) The dollar amount spent on the communications with each person that carried the lobbyist's communications.**
- (iv) The total amount spent on communications described in this clause.**

(G) If the lobbyist is a public advocacy organization, the name and business address of any person that contributed money or other property to the organization with a value of at least one thousand dollars (\$1,000) during the reporting period.

(3) A statement of expenditures and gifts that equal one hundred dollars (\$100) or more in one (1) day, or that together total more than five hundred dollars (\$500) during the calendar year, if the expenditures and gifts are made by the registrant or ~~his~~ **the registrant's** agent to benefit:

- (A) a member of the general assembly;
- (B) an officer of the general assembly;
- (C) an employee of the general assembly; or
- (D) a member of the immediate family of anyone included in clause (A), (B), or (C).

(4) Whenever a lobbyist makes an expenditure that is for the benefit of all of the members of the general assembly on a given occasion, the total amount expended shall be reported, but the lobbyist shall not prorate the expenditure among each member of

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the general assembly.

(5) A list of the general subject matter of each bill or resolution concerning which a lobbying effort was made within the registration period.

(6) The name of the beneficiary of each expenditure or gift made by the lobbyist or ~~his~~ **the lobbyist's** agent that is required to be reported under subdivision (3).

(7) The name of each member of the general assembly from whom the lobbyist has received an affidavit required under IC 2-2.1-3-3.5.

(b) In the second semiannual report, when total amounts are required to be reported, totals shall be stated both for the period covered by the statement and for the entire reporting year.

(c) An amount reported under this section is not required to include the following:

(1) Overhead costs.

(2) Charges for any of the following:

(A) Postage.

(B) Express mail service.

(C) Stationery.

(D) Facsimile transmissions.

(E) Telephone calls.

(3) Expenditures for the personal services of clerical and other support staff persons who are not lobbyists.

(4) Expenditures for leasing or renting an office.

(5) Expenditures for lodging, meals, and other personal expenses of the lobbyist.

SECTION 6. IC 3-9-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) This section does not apply to:

(1) a member of the general assembly; or

(2) a candidate's committee of a member of the general assembly; with respect to an office other than a legislative office to which the member seeks election.

(b) As used in this section, "affected person" refers to any of the following:

(1) An individual who holds a legislative office.

(2) A candidate for a legislative office.

(3) An individual who holds a state office other than a judicial office.

(c) As used in this section, "prohibited period" means the period:

(1) beginning on the day in January in each odd-numbered year

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1 the general assembly reconvenes under IC 2-2.1-1-2; and
2 (2) through the day the general assembly adjourns sine die in an
3 odd-numbered year under IC 2-2.1-1-2.
4 (d) During the prohibited period, an affected person, an affected
5 person's candidate's committee, and a legislative caucus committee may
6 not do any of the following:
7 (1) Solicit campaign contributions.
8 (2) Accept campaign contributions.
9 (3) Conduct other fundraising activities. This subdivision does not
10 prohibit an affected person from participating in party activities
11 conducted by a regular party committee.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Elections and Apportionment, to which was referred House Bill 1551, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 9 through 16, begin a new paragraph and insert:

"SECTION 2. IC 2-7-1-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.5. (a) "Public advocacy communication" refers to a communication:**

- (1) to urge the general public to act to influence legislative action; and**
- (2) by:**
 - (A) advertising;**
 - (B) mass mailings;**
 - (C) publications; or**
 - (D) radio, television, or the Internet.**

(b) The term does not include the communications between an organization and its members.

SECTION 3. IC 2-7-1-12.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.7. (a) "Public advocacy organization" means a person that:**

- (1) is:**
 - (A) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code); or**
 - (B) a public benefit organization; and**
- (2) spends at least fifty thousand dollars (\$50,000) in a registration year on public advocacy communication.**

(b) The term does not include any of the following that, in the ordinary course of business, publishes news items, editorials, comments, or paid advertisements that directly or indirectly urge legislative action:

- (1) A newspaper.**
- (2) A periodical of general circulation.**
- (3) A book publisher.**
- (4) A news wire service.**
- (5) A radio or television station.**
- (6) An individual who owns, publishes, or is employed by a newspaper, periodical, or radio or television station."**

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Page 2, line 8, delete "individuals who set the policies or" and insert **"officers of the organization."**

Page 2, delete line 9.

Page 2, delete lines 27 through 41, begin a new line double block indented and insert:

"(F) If the lobbyist is a public advocacy organization, the lobbyist's expenses for public advocacy communications. The lobbyist must provide the following information relating to the lobbyist's expenses under this clause:

(i) The name of each person that carried the lobbyist's communications.

(ii) The dates that communications were made.

(iii) The dollar amount spent on the communications with each person that carried the lobbyist's communications.

(iv) The total amount spent on communications described in this clause."

Page 4, delete lines 4 through 42, begin a new paragraph and insert:
"SECTION 6. IC 3-9-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) This section does not apply to:

(1) a member of the general assembly; or

(2) a candidate's committee of a member of the general assembly; with respect to an office other than a legislative office to which the member seeks election.

(b) As used in this section, "affected person" refers to any of the following:

(1) An individual who holds a legislative office.

(2) A candidate for a legislative office.

(3) An individual who holds a state office other than a judicial office.

(c) As used in this section, "prohibited period" means the period:

(1) beginning on the day in January in each odd-numbered year the general assembly reconvenes under IC 2-2.1-1-2; and

(2) through the day the general assembly adjourns sine die in an odd-numbered year under IC 2-2.1-1-2.

(d) During the prohibited period, an affected person, an affected person's candidate's committee, and a legislative caucus committee may not do any of the following:

(1) Solicit campaign contributions.

(2) Accept campaign contributions.

(3) Conduct other fundraising activities. This subdivision does not

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prohibit an affected person from participating in party activities
conducted by a regular party committee.".

Delete page 5.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1551 as introduced.)

PIERCE, Chair

Committee Vote: yeas 5, nays 4.

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